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DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
WASHINGTON, D.C. 20380-6000

OCT 6 1999

MEMORANDUM FOR THE COMMANDER NAVAL FACILITIES ENGINEERING
COMMANDSUBJ: REQUEST FOR EXEMPTION FROM UTILITIES PRIVATIZATION FOR JAPAN
AND KOREA

- Encl: (1) CINCPACFLT Ltr Ser N4643/2010 of 16 Jul 99
(2) CINCPACFLT Ltr Ser N4643/2009 of 16 Jul 99
(3) HQ,MC memo of 3 Sep 99

By copy of this memorandum and as requested by enclosures (1), (2), and (3), all utility systems on Department of the Navy installations in Japan and Korea are hereby exempt from the requirements of Defense Reform Initiative Directive #49.

My point of contact in this matter is Mr. Carl D. Lowery, at 703-588-6690.

Duncan Holaday
Deputy Assistant Secretary
(Installations and Facilities)

Copy to:
N44
HQ,MC

Copy to: 153



DEPARTMENT OF THE NAVY
 COMMANDER U. S. NAVAL FORCES, JAPAN
 PSC 473 BOX 12
 FPO AP 96349-0051

11300
 Ser N41(1139)/143
 21 Jun 99

From: Commander, U.S. Naval Forces, Japan (N4)
 To: Deputy Assistant Secretary of Navy (Installations & Facilities)
 Via: (1) Commander in Chief, U.S. Pacific Fleet (N46)
 (2) Chief of Naval Operations (N44)

Subj. UTILITIES PRIVATIZATION EXCLUSIONS

Ref: (a) Defense Reform Initiative Directive (DRID) No. 49 of 23 Dec 99

Encl.: (1) List of Japan Host-Nation Owned Utility Systems to be Excluded
 (2) Treaty of Mutual Cooperation and Security between the United States of America and Japan
 (3) Excerpt from the Agreement Under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan

1. Request all utility systems, listed in enclosure (1), serving U.S. Navy installations in Japan be excluded from the reference (a) Utilities Privatization directive for the following reasons:

a. The utility systems that serve U.S. installations and facilities in Japan along with the land areas where they are located, are furnished to the United States Government based on the enclosures (2) and (3) provisions. As such, under this unique arrangement, the United States does not own these systems, and in essence has no means to privatize or grant land use easements for them.

b. While the United States may by mutual consent, request Japan for additional facilities or return them when they are no longer needed, it is not obligated to restore the facilities and areas to their original condition, emphasizing again that the United States does not own the utility systems.

c. While the United States is responsible for the functional condition of these utility systems, Japan is not obligated to compensate the United States for any improvements made in the facilities and areas during the term of the Treaty, thereby assuming ownership of the utilities. Note while the original ten-year term of the Treaty ended in 1970, the Treaty remains in effect on a year-to-year arrangement.

2. Your favorable decision is greatly appreciated, as exclusion in Japan will avoid unnecessary implementation expenses and efforts.

OPTIONAL FORM 99 (7-90)


FAX TRANSMITTAL

of pages TWO

To	Mrs. HAGIWARA (600)	From	FUKAWA (600)
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Subj. UTILITIES PRIVATIZATION EXCLUSIONS

3. The COMNAVFORJAPAN point of contact is Mr. Roy K. Iwane, Code N41, at DSN 243-5365 or e-mail: n41@cnfj.navy.mil.


D. H. ORNDOFF
Assistant Chief of Staff
for Shore Installation Management

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